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SUBJECT: GLOBAL ECONOMY; BOLIVIA

1. Superpowers

Editorial in liberal Folha de S. Paulo (09/19) says: "Due to a lack of a fiscal device to deal with the crisis, the Bush administration decides, without criteria, on the life and death of the companies. In times of war, the Chief of State use to have a special mandate, which temporarily increases the limits of his power. Something similar happens now with U.S. economic authorities, because a violent crisis devastates the country. The Treasury and FED's actions break down borders without resistance.... The power of deciding between the life and death of the giant financial institutions - without explicit criteria, in long and obscures meetings in New York and Washington - brings together more instability to the scenario... Implicit in this uncertainty that surrounds the Bush administration is the lack of a systematic solution for the crisis - which certainly contributes to the weakening of the Republican administration, unpopular and at the end of a mandate...bringing inconvenience to John McCain's candidacy, already suffering because of the crisis."

2. Imprudent Remark

Editorial in liberal Folha de S. Paulo (09/19) comments: "The Bolivian crisis gives signs of weakening while fragile negotiations between Evo Morales and opposing governors advance. President Lula, however, made a mistake when commenting on the expulsion of the U.S. Ambassador from Bolivia, accused of conspiracy with the opposition. Although Lula's support of Morales' position was conditional - "in the case of the Ambassador [US] he has interfered in the country's issues," - it was an imprudent remark, not in accordance with the neutrality Brazil pursues. In diplomacy, words matter - and the Brazilian authorities should measure very well all their words before referring to the Bolivian crisis. The issue of the U.S. Ambassador's expulsion matters only to Bolivia and the U.S."
White